

RHODE ISLAND COMMERCE CORPORATION

MEETING OF DIRECTORS

PUBLIC SESSION

May 9, 2016

The Board of Directors of the Rhode Island Commerce Corporation (the "Corporation") met on May 9, 2016 in Public Session, beginning at 5:00 p.m. at the offices of the Corporation, located at 315 Iron Horse Way, Suite 101, Providence, RI 02908, pursuant to the public notice of meeting, a copy of which is attached hereto as Exhibit A, as required by applicable Rhode Island law.

The following Directors were present and participated throughout the meeting as indicated: Governor Gina M. Raimondo, Bernard V. Buonanno III, Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, George Nee, Donna M. Sams, Vanessa Toledo-Vickers and Karl Wadensten.

Directors absent were: Michael F. McNally and Ronald O'Hanley.

Also present were: Secretary of Commerce Stefan Pryor, Darin Early, Jeremy Licht and Thomas Carlotto.

1. CALL TO ORDER

The Governor called the meeting to order at 5:09 p.m. indicating that a quorum was present.

2. TO CONSIDER FOR APPROVAL THE PUBLIC SESSION AND EXECUTIVE SESSION MINUTES FOR THE MEETING HELD ON APRIL 25, 2016

Upon motion duly made by Mr. Hebert and seconded by Ms. Toledo-Vickers, the following vote was adopted:

VOTED: To approve the public session and executive session minutes for the meeting held on April 25, 2016.

Voting in favor of the foregoing were: Bernard V. Buonanno III, Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, George Nee, Donna M. Sams, Vanessa Toledo-Vickers and Karl Wadensten.

Voting against the foregoing were: None.

3. TO CONSIDER PRINCIPLES IN RELATION TO THE FIRST WAVE CLOSING FUND.

The Governor introduced Jesse Saglio to discuss the principles.

Mr. Saglio gave a brief overview of the First Wave Closing Fund. He described the principles and noted those portions having similarity to the Rebuild tax credit principles previously adopted by the Board. Mr. Saglio discussed how the principles governed the use of the Fund and noted the ability to provide for grants.

Ms. Lovejoy asked about the amount of the Fund and Mr. Saglio responded that the Fund presently has \$5 million. Mr. Buonanno asked if it was going to be \$5 million annually and the Governor noted that it was subject to the budgeting process.

Mr. Buonanno asked if the Fund needed to be allocated in this fiscal year and Mr. Early explained that it was not necessary to allocate the monies this year.

Mr. Nee asked if there was an additional \$5 million in this year's budget and the Governor indicated that her budget included an additional \$5 million.

Ms. Sams inquired about how the money would be recouped in the proposed grant to AT Cross Company. Mr. Saglio indicated that the incentives would be tied together so there would need to be compliance with both the Rebuild and Qualified Jobs requirements.

He noted as an example that AT Cross would need to meet 90% of the jobs threshold for the job creation requirements of their proposal.

Upon motion duly made by Ms. Toledo Vickers and seconded by Ms. Sams, the following vote was adopted:

VOTED: To approve the principles for the First Wave Closing Fund.

Voting in favor of the foregoing were: Bernard V. Buonanno III, Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, George Nee, Donna M. Sams, Vanessa Toledo-Vickers and Karl Wadensten.

Voting against the foregoing were: None.

A copy of the principles for the First Wave Closing Fund are annexed hereto as Exhibit B.

4. TO CONSIDER THE APPLICATION OF AT CROSS COMPANY FOR TAX CREDITS UNDER THE REBUILD RHODE ISLAND TAX CREDIT PROGRAM, THE QUALIFIED JOBS INCENTIVE PROGRAM AND THE FIRST WAVE CLOSING FUND PROGRAM.

Mr. Saglio introduced Paul Burmeister, the Chief Financial Officer of AT Cross and thanked him for attending the meeting.

Mr. Saglio explained that AT Cross has 170 year operating history in Rhode Island and is presently located in Lincoln, RI. He noted that the company is presently in a facility three times the size of its current needs and its lease will expire in the near term.

Mr. Saglio gave the details of the proposed incentives under the Rebuild Tax Credit, Qualified Jobs Tax Credit and First Wave programs, which are expected to total about \$1.9 million. He discussed a competitive offer from Connecticut to the company, which exceeds the package of incentives being offered by the Corporation. He noted that the company CEO presently resides in Connecticut and that it is almost certain the company move to Connecticut if the Corporation does not provide incentives.

Mr. Saglio discussed the new facility in Providence and the creation of a retail space. He explained that all of the incentives would be tied to the job creation requirements and no incentives would issue prior to the project being placed in service.

Mr. Buonanno discussed the review undertaken by the Investment Committee and its recommendation to the Board for approval of the incentive package.

Mr. Saglio indicated that but for these incentives AT Cross would likely move to Connecticut.

Ms. Carriuolo asked Mr. Burmeister if the company would offer paid internships for college students and Mr. Burmeister indicated that would be the case.

Upon motion duly made by Mr. Buonanno and seconded by Ms. Toledo-Vickers, the following vote was adopted:

VOTED: Pursuant to Rhode Island General Laws Section 42-46-5(a)(7), the Board shall enter into executive session to consider the investment of public funds.

Voting in favor of the foregoing were: Bernard V. Buonanno III, Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, George Nee, Donna M. Sams, Vanessa Toledo-Vickers and Karl Wadensten.

Voting against the foregoing were: None.

The Board of Directors, staff and counsel entered into the executive session at 5:24 p.m.

The public session reconvened at 5:48 p.m.

Upon motion duly made by Mr. Nee and seconded by Ms. Sams, the following vote was adopted:

VOTED: That the minutes of the Executive Session shall be sealed.

Voting in favor of the foregoing were: Bernard V. Buonanno III, Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, George Nee, Donna M. Sams, Vanessa Toledo-Vickers and Karl Wadensten.

Voting against the foregoing were: None.

Upon motion duly made by Mr. Kelly and seconded by Mr. Hebert, the following vote was adopted:

VOTED: To approve AT Cross Company for incentives under the Rebuild Rhode Island Tax Credit program, the Qualified Jobs Tax Credit program and the First Wave Closing Fund program, pursuant to the Resolution submitted to the Board.

Voting in favor of the foregoing were: Bernard V. Buonanno III, Dr.

Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, George Nee, Donna M. Sams, Vanessa Toledo-Vickers and Karl Wadensten.

Voting against the foregoing were: None.

A copy of the Resolution is attached hereto as Exhibit C.

The Governor turned the meeting over to Mr. Buonanno to act as the presiding officer and she departed the meeting.

5. TO CONSIDER AWARDS FOR THE CLUSTER GRANT PROGRAM.

Dr. Carriuolo recused herself from the discussion of the agenda item with respect to the International Yacht Restoration School and from voting to approve the resolution.

Mr. Wadensten recused himself from the discussion of the agenda item with respect to the Rhode Island Manufacturers Association and from voting to approve the resolution.

Mr. Early recused himself from discussion of the agenda item.

Mr. Jennings discussed the Cluster Grant program and the review criteria used in relation to the selection of applications for approval.

Ms. Smith and Mr. Jennings detailed each of the applicants and the proposed use of grant funds.

Ms. Lovejoy asked about the applicants budgeting and how will success be measured.

Mr. Jennings indicated that the Corporation reviewed the grant requests closely to ensure the amount recommended for an award was consistent with the effort being undertaken. He noted that the metrics will vary by recipient. Ms. Smith indicated that she can provide the metrics to Ms. Lovejoy or any other board member that would want to review them in detail. She also discussed the applicant reporting requirements.

Ms. Toledo-Vickers asked about sustainability and Ms. Smith and Mr. Jennings detailed the goals of the applicants in relation to sustainability.

Ms. Kaplan raised a concern about overlap with existing efforts such as Social Enterprise Greenhouse. Secretary Pryor highlighted the differences and noted the importance of developing synergies and avoiding redundancies.

Mr. Buonanno asked about the internal review process. Mr. Jennings and Ms. Smith discussed the process and the involvement of staff and the Department of Labor and Training.

Upon motion duly made by Ms. Toledo-Vickers and seconded by Ms. Sams, the following vote was adopted:

VOTED: To approve the Cluster Grant awards, pursuant to the Resolution submitted to the Board.

Voting in favor of the foregoing were: Bernard V. Buonanno III, Tim Hebert, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, George Nee, Donna M. Sams, and Vanessa Toledo-Vickers.

Voting against the foregoing were: None.

A copy of the Resolution is attached hereto as Exhibit D.

6. TO DISCUSS PROGRAM PERFORMANCE MEASURES AND RECEIVE INCENTIVE PROGRAM UPDATES.

Mr. Early direct Board Members' attention to a power point

presentation in relation to performance measurements of the Corporation's incentive programs. He discussed the overall strategies for the eleven programs and outlined the short term, medium term and long term strategies.

Mr. Early explained that in the near term the Corporation will become more proactive in its approach.

Mr. Early next proceeded to detail the metrics for measuring performance of the Corporation's eleven programs and invited Board members' feedback for each program.

Board Members and Mr. Early conducted a dialogue in relation to the expected outcomes and the information the Board would want presented at regular intervals to understand program performance.

Mr. Wadensten and Mr. Hebert volunteered to provide additional feedback in relation to the ongoing development of performance measures.

A copy of the power point presentation is attached hereto as Exhibit E.

7. TO CONSIDER SELECTION OF A BANKING RELATIONSHIP WITH SANTANDER BANK.

Ms. Lasky presented the Board with a proposed banking relationship with Santander Bank. She explained that the Corporation was seeking to collateralize the Corporation's accounts to provide more protection for its deposits. Ms. Lasky indicated that she approached Bank of America, the Corporation's existing bank, about account collateralization and the bank indicated it did not offer such a product.

She discussed the advantages being offered by the Santander including collateralizing the Corporation's accounts and providing an interest return on its deposit accounts.

Upon motion duly made by Mr. Hebert and seconded by Mr. Wadensten, the following vote was adopted:

VOTED: To approve a banking relationship with Santander Bank, pursuant to the Resolution submitted to the Board.

Voting in favor of the foregoing were: Bernard V. Buonanno III, Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, George Nee, Donna M. Sams, Vanessa Toledo-Vickers and Karl Wadensten.

Voting against the foregoing were: None.

A copy of the Resolution is attached hereto as Exhibit F.

Vote to adjourn.

There being no further business in Public Session, the meeting was adjourned by unanimous consent at p.m. upon motion made by Mr. Wadensten and seconded by Ms. Kaplan.

Thomas E. Carlotto, Secretary